

## Message Text

CONFIDENTIAL

PAGE 01 TAIPEI 05466 170959Z  
ACTION EA-12

INFO OCT-01 EUR-12 ISO-00 EB-08 COME-00 TRSE-00 OMB-01  
STR-07 SP-02 CIAE-00 INR-10 NSAE-00 DODE-00  
CAB-02 DOTE-00 FAA-00 L-03 /058 W  
-----116143 180729Z /11

R 170952Z AUG 78  
FM AMEMBASSY TAIPEI  
TO SECSTATE WASHDC 8633  
INFO AMEMBASSY PARIS  
AMEMBASSY SEOUL

C O N F I D E N T I A L TAIPEI 05466

E.O. 11652: GDS  
TAGS: EAIR, ETRD, TW  
SUBJECT: MCDONNELL-DOUGLAS/AIRBUS COMPETITION FOR SALES  
IN TAIWAN

REF: TAIPEI 05425 (NOTAL) AND PREVIOUS

1. AT LUNCH TODAY, I MENTIONED TO GOVERNOR YU (SEE REFTEL)  
OUR CONCERN OVER THE REPORT GIVEN US BY MCDONNELL-  
DOUGLAS THAT AT POINT WHEN THEIR SALE OF DC-10'S  
TO CHINA AIRLINES APPEARED TO BE FIRM, DEAL WAS PUT IN  
SUSPENSE WHERE IT STILL REMAINS BECAUSE OF AIRBUS INTER-  
VENTION APPARENTLY INVOLVING NON-COMMERCIAL CONSIDERA-  
TIONS. I EXPRESSED CONCERN NOT ONLY THAT SALE APPARENTLY  
BEING TAKEN AWAY FROM MCDONNELL-DOUGLAS BY AIRBUS BECAUSE  
OF POLITICAL CONSIDERATIONS, CONTRARY TO OECD AGREEMENTS,  
BUT ALSO BECAUSE MCDONNELL-DOUGLAS SALE COULD REPRESENT  
A SIGNIFICANT CONTRIBUTION TO GROC PROFESSED INTENTION  
OF REDRESSING TRADE IMBALANCE WITH U.S.

2. GOVERNOR YU MADE FOLLOWING POINTS:

- A. THERE HAD NOT EVER BEEN A CHINA AIRLINES-GROC  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TAIPEI 05466 170959Z

DECISION (REPEAT DECISION) TO PURCHASE DC-10'S FROM  
MCDONNELL-DOUGLAS.

- B. PRINCIPAL CAL SUPPLIER NOW AND IN THE FUTURE WILL  
BE BOEING BUT BOEING DOES NOT NOW MANUFACTURE INTER-  
MEDIATE (APPROXIMATELY 200-PASSENGER) AIRCRAFT REQUIRED  
BY CAL FOR SOUTHEAST ASIAN ROUTES. CAL AND BOEING HAVE

DISCUSSED THIS AND SINCE BOEING IS MOVING INTO PRODUCTION THAT AREA, CAL WILL IN THE FUTURE BE HAPPY TO TURN TO THAT SOURCE SINCE ITS PILOTS, MAINTENANCE PERSONNEL, ETC. ARE ALL THOROUGHLY FAMILIAR WITH BOEING PRODUCTS.

- C. AS WE COULD WELL IMAGINE, LANDING RIGHTS IN PARIS WOULD BE OF GREAT IMPORTANCE TO CAL AND ROC, JUST AS THEY WERE TO KOREANS WHEN KAL CONCLUDED DEAL WITH THE FRENCH ON SIMILAR LINES.

- D. GROC CONTINUES COMMITTED TO "BUY AMERICA" PROGRAM AND WILL BE, AS WE PERHAPS ALREADY KNOW, BUYING AN ADDITIONAL BOEING 747 IN COMING YEAR; SHOULD BOEING BE ABLE TO DELIVER AN INTERMEDIATE AIRCRAFT, CAL WILL BE VERY INTERESTED IN THIS ALSO AS ALREADY NOTED.

3. GOVERNOR YU AT NO POINT STATED THAT GROC HAS MADE FIRM DECISION TO BUY AIRBUS OR THAT PARIS LANDING RIGHTS FOR CAL HAVE BEEN DEFINITELY SECURED BUT THE INFERENCE WAS CLEAR THAT SOMETHING WAS AFOOT ON BOTH COUNTS. I REITERATED IN THIS LATTER CONNECTION OUR CONCERN ABOUT FRENCH TACTICS AND HE AGAIN REFERRED TO KOREAN DEAL.

4. RELATED NOTE: LAST EVENING IN A LENGTHY CONVERSATION WITH Y. S. TSIANG, SECRETARY-GENERAL OF THE PRESIDENTIAL OFFICE, I RAISED MCDONNELL-DOUGLAS ISSUE AND HE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TAIPEI 05466 170959Z

TOLD ME OF SEVERAL LENGTHY CONVERSATIONS HE HAS RECENTLY HAD WITH "PETE" CONRAD, MCDONNELL-DOUGLAS' VICE PRESIDENT, COVERING CONRAD'S FASCINATING ASTRONAUT EXPERIENCES AND POSSIBLE GROC-MCDONNELL-DOUGLAS ARRANGEMENT FOR PRODUCING ON TAIWAN COMPONENTS OF OR ENTIRE STOL AIRCRAFT. MISSING (ACCORDING TO Y.S. TSIANG); ANY MENTION BY CONRAD OF AIRBUS PROBLEM. UNGER

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COMMERCIAL AIRCRAFT, SALES, MOTOR BUSES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978TAIPEI05466  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780337-1064  
**Format:** TEL  
**From:** TAIPEI  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780852/aaaabrad.tel  
**Line Count:** 101  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 4b0b7061-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 TAIPEI 5425  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 24 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1704573  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MCDONNELL-DOUGLAS/AIRBUS COMPETITION FOR SALES IN TAIWAN  
**TAGS:** EAIR, ETRD, TW, US, MCDONNELL-DOUGLAS  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/4b0b7061-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014